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Personal conflict of interest

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 65/247, by which the Secretary-General was requested to provide to the Assembly, for its consideration at the main part of its sixty-sixth session, a comprehensive report on conflict of interest, including a contemporary analysis of what constitutes personal conflict of interest, as well as legal, management and mitigation aspects.

Staff members' obligations as impartial and independent international civil servants require them to exercise their functions with the best interests of the Organization only in view. Modern organizational life, with its multifaceted working experiences and personal and professional networks, however, can bring with it situations where United Nations staff are faced with conflicting or competing interests that may have an impact on their impartiality. Such conflicts of interest can, if not appropriately addressed, have a significant and detrimental effect on the reputation and assets of the Organization.

As conflict situations cannot realistically be avoided in all instances, managing them appropriately becomes a priority. The Organization approaches the management of conflict of interest in a three-step approach:

(a) Identification/disclosure of conflict;

(b) Detailed review of the conflict;

(c) Implementation or recommendation of remedial measures best suited to resolve the conflict.

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A range of conflict of interest situations is addressed in the current regulatory and policy framework of the Organization. The tools afforded through this framework allow for a combination of proactive (e.g. disclosure) and retroactive (e.g. disciplinary measures) conflict identification and management. Proactive identification is preferable to prevent possible harm to the Organization's reputation and/or assets, as such harm may not necessarily be rectified through the available retroactive mechanisms. Consequently, the regulated areas of conflict of interest remain subject to various proactive reporting or disclosure obligations. The present report contains a comprehensive presentation of the contemporary regulatory and policy framework in this regard.

Conflicts of interest that fall within the scope of the financial disclosure programme are subject to annual disclosure obligations by certain categories of staff. The General Assembly may therefore also wish to consider the report of the Secretary-General on the activities of the Ethics Office, to be submitted at the sixty-sixth session, as that report will address aspects of the financial disclosure programme.

The Secretary-General will continue to monitor developments in the area of conflicts of interest and established mechanisms in the light of his commitment that in the exercise of their functions and conduct in general, United Nations staff members are acting beyond reproach at all times.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 65/247, by which the Secretary-General was requested to provide to the General Assembly for its consideration at the main part of its sixty-sixth session a comprehensive report on conflict of interest, including a contemporary analysis of what constitutes personal conflict of interest, as well as legal, management and mitigation aspects.

2. The report presents an overview of the main types of conflict of interest faced by staff of the Organization, the regulatory framework currently applicable to United Nations staff members, including current definitions, legal implications, and mechanisms established to manage and mitigate existing or potential conflicts of interest. This report does not address personnel other than United Nations staff members; and it should be noted that officials other than Secretariat officials and experts on mission are not directly covered by the regulatory framework referenced in this report. However, the underlying principles and very similar provisions, including on conflicts of interest, apply through other administrative issuances (see, for example, ST/SGB/2002/9).

3. The General Assembly also has before it the reports of the Secretary-General on the activities of the Ethics Office and on the amendments to the Staff Regulations (A/65/213). The latter proposes an amendment to staff regulation 1.2 (m) governing conflicts of interest (see A/65/213, annex; see also para. 9 of the present report), which has been recommended for adoption by the Advisory Committee on Administrative and Budgetary Questions, in its report on human resources management (A/65/537, para. 87). The Assembly, in paragraph 75 of its resolution 65/247, decided to defer until its sixty-sixth session consideration of the proposal of the Secretary-General to amend the Staff Regulations.

II. Personal conflict of interest

A. Definitions and types of conflict of interest

4. Risks of conflict of interest can generally be found at two levels: (a) as organizational conflict of interest; and (b) as personal conflict of interest. An organizational conflict of interest arises where, because of other activities or relationships, an organization is unable to render impartial services, the organization's objectivity in performing mandated work is or might be impaired, or the organization has an unfair competitive advantage. A personal conflict of interest may generally be understood as a situation where a person's private interests interfere or may be perceived to interfere with his/her performance of official duties. The present report focuses on personal conflict of interest, in accordance with the emphasis on this subject matter in the request by the General Assembly in its resolution 65/247.

5. In general, the need to address and manage conflict of interest results from a risk assessment of staff members' potential exposure to competing interests through their work and status as United Nations officials. Certain functional areas, such as procurement, may provide greater potential for exposure to possible conflict of interest. However, other types of conflict of interest result from the risks inherent in

all functions of an international civil servant, independent of any particular authority or position held by the staff member.

6. The definition of conflict of interest in the Staff Rules and Regulations stems, in essence, from the written declaration (also referred to as the "Oath of Office") mandated for all staff members under staff regulation 1.1 (b) (see ST/SGB/2011/1):

> I solemnly declare and promise to exercise in all loyalty, discretion and conscience the functions entrusted to me as an international civil servant of the United Nations, to discharge these functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other source external to the Organization.

7. This declaration sets forth the principle that the interests of the Organization not only prevail over all other interests, but are to be the only interests a staff member should consider when discharging his or her functions.

8. The current regulatory framework (specifically the Staff Rules and Staff Regulations, Secretary-General's bulletins, administrative instructions and other relevant administrative issuances as well as the Standards of conduct for the international civil service of 2001 (see A/56/30, annex II),[1] addressed in greater detail below) includes provisions governing actual or potential conflicts of interest arising from financial interests, personal relationships between staff members and other stakeholders, the receipt of honours, decorations, favours, gifts or remuneration by third parties, as well as parameters addressing conflicting loyalties that may result from outside employment or occupation or other outside activities, including political activities.

9. Staff regulation 1.2 (m) defines conflict of interest as follows:

> Staff members shall not be actively associated with the management of, or hold a financial interest in, any profit-making, business or other concern, if it were possible for the staff member or the profit-making, business or other concern to benefit from such association or financial interest by reason of his or her position with the United Nations

Staff rule 1.2 (p) provides that:

> A staff member who has occasion to deal in his or her official capacity with any matter involving a profit-making business or other concern, including a concern in which he or she holds a financial interest, directly or indirectly, shall disclose that interest to the Secretary-General and, except as otherwise authorized by the Secretary-General, either dispose of that financial interest or formally excuse himself or herself from participating with regard to any involvement in that matter which might give rise to the conflict of interest situation.

10. The experience of the Secretariat and that of some United Nations funds and programmes, as well as of other public international organizations has identified, by and large, the following situations as commonly posing potential conflict of interest:

[1] The Standards of conduct for the international civil service serve to assist the Organization and its staff members in interpreting the Charter of the United Nations and the Staff Rules and Regulations. Regarding conflicts of interest, see, in particular, paras. 21 and 22.

(a) Improper use of one's official position with the United Nations when interacting with a business or entity with which one is affiliated;

(b) Receipt of supplemental income (e.g. housing, per diem payments, reimbursement of travel or entertainment expenses, remuneration) from an external source;

(c) Receipt of gifts, favours or hospitality from external sources (e.g. governmental, non-governmental, vendor or contractor);

(d) Exchange of gifts, favours, financial transactions or hospitality between staff (including between different hierarchical levels);

(e) Receipt of honours, decorations, or awards from external sources (governmental, non-governmental, academic institutions, clubs and associations);

(f) Employment of spouse, child or other relative or close personal friend by an entity associated with the United Nations;

(g) Supervisory or managerial relationship over a relative or close personal friend;

(h) Taking instructions from sources external to the Organization (e.g. from a governmental or non-governmental entity, vendor);

(i) Leadership, policymaking or advisory role in external entities (e.g. a governmental or other political role, corporate or for-profit board, not-for-profit board, advisory committee, etc.);

(j) Service on an academic or scientific committee or panel;

(k) Misuse of insider or market sensitive information;

(l) Leak of confidential United Nations information;

(m) Misuse of United Nations information (e.g. using United Nations information for personal purposes or gain);

(n) Misuse of official position for personal gain;

(o) Offer of employment by another entity affiliated with the Organization (e.g. current contractor, implementing partner, including non-governmental organizations, government authority, etc.);

(p) Misuse of United Nations resources or assets (e.g., using United Nations property for personal purposes or gain);

(q) Rental property relationship between two staff members at different hierarchical levels in the same reporting line;

(r) Hiring of relatives or close personal friends;

(s) Accepting bribes for the performance or non-performance of an official function;

(t) Offering or paying bribes to other officials for the performance or non-performance of an official function.

B. Personal conflict of interest as addressed in the Secretariat's regulatory framework

11. The Secretariat's regulatory framework addresses specific instances of personal conflict of interest. It should be noted that some conflict situations may fall under several of these regulated instances at the same time. For example, holding a management position in an entity that has contractual relations with the United Nations may qualify as an outside activity requiring prior approval by the Secretary-General under staff regulation 1.2 (o), as well as holding a financial or other interest in a profit-making or other concern under staff regulation 1.2 (m). Below are some of the conflicts addressed expressly in the regulations, rules and implementing policy documents.

1. General and financial conflict of interest

12. Staff regulation 1.2 (m) and (n) as well as staff rule 1.2 (p) provide definitions under the broad subject title "Conflict of interest" although contextually, the definitions refer primarily, although not exclusively, to financial conflict of interest.

13. These definitions anticipate that certain financial interests pose, or may pose, a personal conflict of interest for staff members. The wording "if it were possible" as in staff regulation 1.2 (m) means that even the mere potential for conflicting interests suffices to require mandatory disposal of the interest or recusal from participation in further involvement in a particular matter by the relevant staff member. In addition, the wording "profit-making, business or other concern" in the same regulation is meant to include interests not only in a for-profit business enterprise but also any interest held in a not-for-profit[2] venture, since an interest in either venture may pose a conflict of interest for a staff member.

14. Interests may also include situations of close personal relationships between staff members and others who could unduly benefit from the staff member's employment with the United Nations. This would include, for example, participation in procurement activities where the vendor is a personal friend of the staff member or close family member.

2. Gifts, honours, awards, favours or remuneration

15. Staff regulation 1.2 (j) to (l) and staff rule 1.2 (k) to (o) address the receipt of honours, decorations, favours, gifts or remuneration.

16. Details on reporting, retaining and disposing of honours, decorations, favours, gifts or remuneration from governmental and non-governmental sources are stipulated in administrative instruction ST/AI/2010/1.

17. These regulations, rules and the implementing administrative instruction aim to ensure that staff do not receive any gifts or other incentives that may contribute to the staff member taking — or being perceived as taking — actions due to improper motives. They further ensure that staff members maintain their independence and impartiality in the performance of official duties and responsibilities. Pursuant to the "Oath of Office", staff members must, in the performance of their functions, consider the interests of the Organization only. Therefore, receiving gifts, honours

[2] See ST/SGB/2002/13, annex IV, para. 1 of the commentary on "Conflict of interest".

or other tokens of appreciation may, depending on the circumstances, have an impact on the staff member's independence and impartiality, as they can create a conflict of loyalties or raise expectations from the donor of the gift. In order to protect reputational assets, the Standards of conduct for the international civil service emphasize the importance of having to avoid even the appearance of impropriety (see A/56/30, annex II, paras. 46 and 47). So while a gift might have been given without further underlying intentions, it may not be perceived as such by others. Consequently, the Staff Regulations make it clear that gifts from Governments are prohibited and may not be accepted by staff members. The receipt of honours, decorations, favours, gifts or remuneration from Governments and governmental sources is prohibited under staff regulation 1.2 (j) and under the implementing administrative instruction (see ST/AI/2010/1, para. 3.3). The only exception is a situation where there is another interest of the Organization at stake; namely, where acceptance is necessary to avoid embarrassment in particular circumstances.

18. The receipt of honours, decorations, favours, gifts or remuneration from non-governmental sources is permitted with the prior approval of the Secretary-General under staff regulation 1.2 (l). Approval is only granted in exceptional cases, where it would not be incompatible with the interests of the Organization nor with a staff member's status as an international civil servant. If circumstances do not allow prior approval, or if refusing acceptance would cause embarrassment to the Organization, staff members are permitted to take receipt on behalf of the Organization provided that the gift is duly reported and returned to the Secretary-General. Accepting gifts outside those parameters may not only be seen as a conflict of interest but, in some instances, amount to corruption, with potentially serious consequences for the staff member (see also para. 32 of the present report).

19. Staff rule 1.2 (o) further stipulates that "Staff members shall not accept any gift, remuneration or favour from any source having or seeking to have any type of contractual relationship with the Organization". There is no possibility of an exception or approval in such cases.

20. In addition, staff rule 1.2 (j) prohibits staff members from offering or promising gifts, favours or any other personal benefit to other staff members or to third parties when such an offer or promise is made "with a view to causing him or her to perform, fail to perform or delay the performance of any official act". No exception is possible under such circumstances, as such a direct link between incentive and performance of an official act constitutes an act of bribery.

3. Outside occupation or employment and outside activities, including political activities

21. Staff regulation 1.2 (o) and (p) addresses conflicts of interest that arise from the exercise of outside activities by United Nations staff members. Staff rule 1.2 (r) to (u) clarifies this further and distinguishes between outside occupation or employment or activities that do not relate to the interests of the United Nations, and activities that do, including political activities. Each of these situations poses distinct potential for conflict of interest. Therefore, any outside occupation, employment or activity requires prior approval by the Secretary-General. Where the envisaged activity is not compatible with the status of an international civil servant, it cannot be approved, regardless of circumstances.

22. Engaging in outside occupation or employment may result in staff dedicating their work-time — or even time meant for rest and recuperation — to such employment, rendering their services with the United Nations less efficient or even creating conflicting loyalties, as the staff member may be drawn to dedicate more resources to the outside employment. In this regard, paragraph 41 of the Standards of conduct provides that:

> The primary obligation of international civil servants is to devote their energies to the work of their organizations. It is therefore improper for international civil servants to engage, without prior authorization, in any outside activity, whether remunerated or not, that interferes with that obligation or is incompatible with their status or conflicts with the interests of the organization.

23. Engaging in activities that may relate to United Nations interests may include activities that are not part of the staff member's official duties but relate to the United Nations' goals, objectives, mandate, benefit or other interests. Examples of such activities include public appearances (speaking engagements, interviews, participation in expert working groups) and publications. Such activities may cause concern if the personal views of a staff member are perceived to be those of the Organization.

24. In order to mitigate the risks above, approval is required for any outside occupation, employment or activity. The approval process is set forth in administrative instruction ST/AI/2000/13. While under certain conditions, outside activities are permitted, section 2 of the administrative instruction provides that staff members engaging in outside activities authorized under the instruction should make clear to the organizers and participants in such activities, including any employers, that they act in their personal capacity and not as representatives of the United Nations. This serves to distinguish service with the Organization from any outside activities in order to protect the interests of the United Nations, including its privileges and immunities. Permission is usually granted for activities limited in time and scope.

25. In accordance with paragraph 5.1 of the administrative instruction, staff members may engage in private non-remunerated activities for social or charitable purposes that have no relation to the United Nations or a staff member's official functions and take place outside working hours or while the staff member is on leave. This can be done at their discretion without having to obtain prior approval. However, staff members are required to ensure that every activity is and remains compatible with their status as an international civil servant.

26. Political activities are more strictly regulated than activities for social or charitable purposes. Such activities are by definition incompatible with the status of an international civil servant, who is expected to be objective, impartial and not accept instructions from governmental or other sources. The Standards of conduct reiterate the principles contained in the Staff Regulations and Rules as follows (see A/56/30, annex II, para. 44):

> In view of the independence and impartiality that they must maintain, international civil servants, while retaining the right to vote, should not participate in political activities, such as standing for or holding local or national political office. This does not, however, preclude participation in local

community or civic activities, provided that such participation is consistent with the oath of service in the United Nations system. It is necessary for international civil servants to exercise discretion in their support for a political party or campaign, and they should not accept or solicit funds, write articles or make public speeches or make statements to the press.

27. The principles governing political activities of staff are further reflected in paragraphs 5.3 to 5.5 of the administrative instruction (ST/AI/2000/13), which also clarify that any candidature or appointment to a political office is not permitted, as it may have an impact on the expected impartiality and independence of international civil servants.

4. Personal relationships

28. Some personal relationships between staff members and other persons may have the potential to affect the staff member's impartial and objective performance of official functions, because of conflicting interests between loyalty to the other person and to the United Nations. Staff rule 4.7 expressly addresses such relationships in the context of the recruitment and appointment of staff members by prohibiting the recruitment of first degree relatives of staff members. The employment of spouses is, however, permitted under certain circumstances, as a necessary support effort to staff who are expected to be mobile for the Organization. Details on permissible employment of spouses are addressed in administrative instruction ST/AI/273.

5. Conflict of interest and the financial disclosure programme

29. The financial disclosure programme began in 1999. In 2006, with the issuance of Secretary-General's bulletin ST/SGB/2006/6, it was primarily expanded to include staff members at the D-1 level and above. The obligation is enshrined in staff regulation 1.2 (n). The primary goal of the financial disclosure programme is to manage risks facing the United Nations, including its staff, and protect its reputation and interests. As such, the programme seeks to ensure that potential conflicts of interest arising from staff members' private holdings, affiliations or activities can be identified, mitigated and managed in the best interests of the Organization. The Ethics Office administers the programme (see ST/SGB/2005/22). Pursuant to General Assembly resolution 60/254, the review of financial disclosure statements is at this time outsourced to an external party. In its resolution 62/236, the Assembly endorsed the recommendation, contained in the report of the Advisory Committee on Administrative and Budgetary Questions (see A/62/7, chap. II, para. I.17) that the Secretary-General be requested to conduct an in-depth analysis of the relative advantages and disadvantages, including costs, of conducting the financial disclosure review in-house as compared to the outsourcing arrangements.

30. The financial disclosure programme is designed to help staff members recognize, detect and remedy financial conflicts of interest only and it does not, therefore, address all personal conflicts of interest. The programme focuses on financial conflicts of interest that may arise when a staff member is tasked to take decisions on behalf of the United Nations that may conflict with the individual's interests, such as personal financial assets or liabilities. The financial disclosure obligation assists in identifying conflicts of interest, which, in turn, leads to more

effective management of such conflicts (see section IV below) and the protection of the Organization's interests, including the reputational assets.

III. Legal aspects

31. Apart from the areas addressed through the regulatory framework, there are a number of additional legal aspects related to conflict of interest and the management thereof.

A. Disciplinary proceedings

32. Instruments are available to intervene where a conflict of interest has been identified. Failure to disclose an actual or potential conflict of interest constitutes a violation of the Organization's regulations, rules or other administrative issuances. In accordance with chapter X of the Staff Rules, such action may amount to misconduct (see rule 10.1 (a)), warranting disciplinary measures to be imposed on the concerned staff member. Such measures range from a written censure to dismissal. The Secretary-General publishes an annual information circular on the "Practice of the Secretary-General in disciplinary matters and possible criminal behaviour", which regularly includes cases of conflict of interest.

B. Referrals to national authorities

33. In cases where staff members are involved in conflict of interest situations that include potential criminal wrongdoing, the Organization may refer the case to the relevant Member States for possible further investigation and criminal prosecution. This includes, for example, cases involving fraud, corruption or bribery. Referrals are made under General Assembly resolution 62/63, pursuant to which the Secretary-General has an obligation "to bring credible allegations that reveal that a crime may have been committed by United Nations officials and experts on mission to the attention of the States against whose nationals such allegations are made". Referrals are also made on the basis of recommendations from the Organization's investigative entities. Once a matter is referred by the Organization to the relevant Permanent Mission to the United Nations, any further action with respect to investigation and criminal prosecution is a matter for the discretion of the national law enforcement authorities.

C. Post-employment restrictions

34. The Secretary-General has imposed a number of post-employment restrictions to limit potential personal conflicts of interest that may arise when vendors or other third parties promise incentives to a staff member in active service (e.g. employment or other benefits once the staff member separates from service) (see ST/SGB/2006/15), particularly for staff working in procurement-related functions.[3] These restrictions apply for specified periods of time depending on the exact type of

[3] See also cross references to ST/SGB/2006/15 in the Procurement Manual.

post-employment activity following separation from service with the Organization (see ST/SGB/2006/15, sect. 2.1).

D. Procurement procedures

35. Staff members facing conflict of interest when engaging in procurement-related activities may, when such conflicts are not properly addressed and managed, compromise or corrupt a procurement exercise. This may require the review of such exercise or even the cancellation of the exercise and initiation of a new exercise at great resource costs for the Organization, participating vendors and ultimately, for the reputation of the United Nations. The Organization may even be exposed to financial liability vis-à-vis aggrieved vendors.

IV. Management and mitigation of conflict of interest

36. The management of conflict of interest, which includes mitigation thereof, can be structured, from an organizational point of view, in a three-step approach:

(a) Robust framework;

(b) Identification or review of conflicts of interest;

(c) Remedial measures.

A. Robust framework

37. A robust framework such as the Standards of conduct of the international civil service, or a code of ethics setting forth the expected conduct of staff members, including as far as possible details on what constitutes acceptable and unacceptable situations or where approval is required, is a key element in managing and mitigating potential conflicts of interest. It raises awareness among staff, usually leading to a decrease in unwanted situations. It also provides the basis for necessary actions to be taken against staff members, such as disciplinary measures for failure to abide by such standards. The financial disclosure programme is an example of such a framework and assists in managing and mitigating financial conflicts of interest.

B. Identification or review of conflicts of interest

38. Effective management requires knowledge of the situation that may pose a conflict. Disclosure by a staff member of such situations, meaning generally informing the Organization at the appropriate managerial level, enables the Organization to consider all circumstances and take appropriate action. The administration is in a position to review such risks only when situations are brought to its attention, which is the case, for example, under the financial disclosure programme.

39. Under the current financial disclosure programme, financial disclosure or declaration of interest statements filed annually by staff at the D-1 level and above, as well as certain other staff members, are reviewed for potential risks of personal

conflict of interest. The obligation of such staff members to file such statements is set forth in staff regulation 1.2 (n). Financial disclosures are filed using the forms designed for that purpose under procedures established through ST/SGB/2006/6. The questionnaire is not limited to interests held by the staff member, but includes questions on interests and assets held by a staff member's spouse or dependent children to ensure that at least some third-party interests are sufficiently covered in the staff member's declaration(s).

40. The reviewer examines the staff member's disclosure statement in relation to his/her private interests, including assets and liabilities, profit on sale of personal property, stock options, income, supplements, gifts, reimbursements, per diem and travel expenses, family relations as they relate to the Organization, outside leadership or policymaking roles, and other outside activities. These private interests, holdings and affiliations are analysed in connection with the staff member's official duties and responsibilities, in order to identify potential personal conflicts of interest.

41. Where a potential conflict of interest is detected, relevant facts and further information are gathered. Filing staff members may be requested to provide additional information for the review, as appropriate, until disclosure is considered full and complete. The reviewer also identifies concerned stakeholders and assesses the possible impact of the situation and the risks involved. On the basis of that analysis, the reviewer will subsequently provide advice and remedial measures to the concerned staff member on how to mitigate and manage the conflict of interest, in the best interests of the United Nations.

C. Remedial measures

42. There are several means of managing conflicts of interest in the best interests of the Organization, which usually depend on the particular situation. Remedial measures vary depending on the nature and complexity of a conflict. Such measures include, but are not limited to (a) recusal or removal; (b) a freeze on personal investments; (c) placement of an asset into independent third-party management; (d) non-disclosure of privileged information; (e) non-involvement in representational or fund-raising activities of an outside entity; (f) an instruction to discard the interest in the external concern; and (g) changes in reporting lines.

43. Recusal and removal refer to ensuring that a staff member who finds himself or herself in a possible conflict of interest situation is removed from that situation. The staff member either proactively recuses himself or herself from further participation in the process (in which case he/she is required to inform his/her supervisor and the Ethics Office) or the Organization instructs his or her removal. For example, where a staff member's spouse has applied for a post and the staff member is requested to participate in the interview process and discloses his/her relationship to the panel, the staff member could either recuse himself/herself from any involvement in the selection process or he/she is removed by the Organization from such process. A further example is where it comes to light that a procurement officer is related to a vendor. The procurement officer may recuse himself/herself from any dealings with such vendor or the Organization, as a first step, may remove the staff member from any interaction with that vendor (see ST/SGB/2006/15, sect. 2.3).

44. Other remedial measures are usually recommended by the Ethics Office upon disclosure or identification of a conflict of interest, or initiated through the appropriate supervisory levels. Where the staff member refuses to resolve the identified conflict of interest, further administrative or disciplinary measures may be invoked, depending on the circumstances.

V. Conclusion

45. The potential for personal conflict of interest is a fact of modern organizational life, in which staff members' lives are complex, with multiple employment experiences and networks of relationships, both within and outside of the Organization. The potential for conflict of interest is equally dynamic and evolves with the complexity of the Organization's staffing, mandates and activities. The current regulatory framework addresses a wide range of personal conflicts of interest. The financial disclosure programme focuses mainly on potential financial conflicts of interest and is complemented through established schemes addressing regulated types of conflict of interest. For example, as a matter of proactive monitoring, staff members are required to request permission before engaging in outside employment or activities, before receiving gifts, remuneration, favours or awards, and must disclose whether their relatives are working for the United Nations. These established procedures complement the annual disclosure by certain categories of staff of their financial assets and interests.

46. Where personal conflicts of interest are not disclosed under the financial disclosure programme or other schemes, however, the Organization remains subject to potential liabilities and reputational risks. A failure to disclose a conflict of interest may be addressed retroactively with the staff member through administrative and disciplinary measures, but the damage to the reputation of the Organization may be irreparable. Therefore, the Organization continues to assist and encourage staff, including managers, to identify and disclose potential conflicts of interest so that they can be appropriately addressed and resolved in the best interest of the Organization. Proactive rather than retroactive measures are the preferred method of resolution.

47. The Secretary-General is continuously reviewing whether the established mechanisms designed to identify and manage personal conflict of interest serve the contemporary needs of the United Nations as a forward-looking Organization. The Secretary-General remains fully committed to ensuring that in the exercise of their functions and conduct in general, United Nations staff members are acting beyond reproach at all times.

48. **The General Assembly is requested to take note of the present report.**